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## BIWEEKLY REPORT

# SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/195  
29 July 1963

PREPARED BY THE WORKING GROUP  
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events  
12-25 July 1963

The signing of an agreement to provide Soviet tanks, auxiliary equipment, and technicians to aid in removing mines along Algeria's eastern and western frontiers was announced on 27 June. The fact that some of the tanks already delivered are armed with guns indicates that the vehicles may also be usable for military purposes.

President Sekou Touré announced on 16 June that Communist China had transferred 1 million pounds sterling "to enable Guinea to make purchases in any country." The transfer probably is related more to the lagging Chinese Communist aid program than to the settlement of any trade imbalance and may be used in part for purchases of equipment needed for aid projects.

Recent expansion of ties between Libya and the Soviet Bloc included the signing of the first Soviet-Libyan commercial accord on 30 May and a contract with Bulgaria on 1 May providing for the first known construction project in Libya by a Bloc country. Under the contract, Bulgaria will build part of a large sewer project in Tripoli but will not be permitted to complete the phase of the project involving extensive machinery installations, as this might complicate the future procurement of spare parts. Bulgaria also established diplomatic relations with Libya, thus becoming the third Bloc country with an ambassador in Tripoli.

Under the scholarship program extended as part of Soviet assistance to the Afghan Second Five Year Plan, Afghanistan will send 120 students to the USSR in September for periods of 4 to 7 years. Soviet assistance in the field of education for the Five Year Plan includes the training of 350 academic students and the construction of 3 educational institutions in Afghanistan.

Further information on the Soviet-Indonesian debt rescheduling agreement indicates that annual military repayments will be \$25 million during 1963-69 and \$41.3 million during 1970-79. Economic repayment obligations were not included in the rescheduling, but the unobligated part of the 1960 credit will be used for long-term financing of goods normally paid for on receipt.

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